

1 AN ACT concerning State government.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the
5 Illinois Business and Economic Development Corporation Act.

6 Section 3. Findings. The General Assembly finds that
7 targeted efforts to promote and foster business growth, job
8 creation, and tourism are necessary for economic growth in
9 Illinois to provide more prosperity and opportunities for
10 Illinois residents. As both the public and private sectors have
11 a shared interest in fostering the economic vitality of the
12 State, it is the purpose of this Act to implement economic
13 development policy in the State by means of collaboration
14 between the government and a not-for-profit corporation.

15 Section 5. Definitions. For the purposes of this Act:

16 "Board" means the board of directors of the corporation.

17 "Chief Executive Officer" means the chief executive
18 officer of the corporation.

19 "Conflict party" means a director, officer, or employee of
20 the corporation; the spouse of a director, officer, or employee
21 of the corporation; or an immediate family member of a
22 director, officer, or employee of the corporation residing in

1 the same residence as the director, officer or employee.

2 "Corporation" means the Illinois Business and Economic
3 Development Corporation incorporated by the Department
4 pursuant to Section 10.

5 "Department" means the Illinois Department of Commerce and
6 Economic Opportunity.

7 "Director" means the Director of Commerce and Economic
8 Opportunity.

9 Section 10. Creation of the Illinois Business and Economic
10 Development Corporation.

11 (a) The General Assembly authorizes the Department, in
12 accordance with Section 10 of the State Agency Entity Creation
13 Act, to incorporate the Illinois Business and Economic
14 Development Corporation as a not-for-profit corporation
15 pursuant to the General Not For Profit Corporation Act of 1986.

16 (b) The purpose of the corporation shall be to operate
17 exclusively for charitable purposes within the government, by
18 promoting the economic development and well-being of the State.
19 The corporation shall focus on business development, small and
20 minority-owned business incubation, trade and investment,
21 tourism and film. The corporation shall:

22 (1) develop best practices for economic development in
23 consultation with the Department;

24 (2) enter into grant agreements with the Department and
25 sub-grants with other persons and entities, subject to

1 Department approval;

2 (3) maintain and develop economic data and research
3 that is beneficial to business development in the State;

4 (4) maintain and develop information about specific
5 statewide and regional economic incentives and benefits
6 that may be available to a business to expand within, or
7 relocate to, the State; and provide such information to
8 prospective businesses;

9 (5) formulate and pursue programs and local
10 partnerships for encouraging the location of new
11 businesses in the State and for retaining and fostering the
12 growth of existing businesses;

13 (6) negotiate tax incentives with private businesses,
14 subject to Department approval; and

15 (7) cooperate with and provide information to State
16 agencies, local governments, community colleges, and State
17 universities on economic development matters.

18 (c) For the purposes described in this Act, the corporation
19 shall collaborate with the Department; with other State
20 agencies, authorities, boards, and commissions whose programs
21 and activities significantly affect economic activity in the
22 State as appropriate; and with local and regional economic
23 development organizations, local elected officials,
24 community-based organizations, service delivery providers, and
25 other organizations whose programs and activities
26 significantly affect economic activity. The Department and

1 each other State agency, authority, board, or commission with
2 which the corporation seeks to collaborate shall assist the
3 corporation in carrying out its purposes as directed by the
4 Governor.

5 (d) The corporation shall make every effort to focus on
6 small business development and incentives and programs
7 designed to assist minority-owned and women-owned businesses
8 and businesses that will create jobs in areas with high
9 unemployment or poverty.

10 (e) The corporation shall not be considered, in whole or in
11 part, an agency, political subdivision, or instrumentality of
12 the State. The corporation shall not exercise any sovereign
13 power of the State. Employees and officers of the corporation
14 shall not be considered employees or officers of the State or
15 subject to the Personnel Code or other laws applicable to State
16 employees and officers. The corporation does not have authority
17 to pledge the credit of the State; the State shall not be
18 liable for the debts or obligations of the corporation; and all
19 debts and obligations of the corporation shall be payable
20 solely from the corporation's funds.

21 (f) The corporation shall have such powers, rights, and
22 obligations as are conferred upon a not-for-profit corporation
23 under the General Not For Profit Corporation Act of 1986,
24 including to accept grants, loans, or other amounts from the
25 State, the federal government, or other persons; to enter into
26 contracts; and to employ personnel and other agents.

1 (g) The corporation shall be established, maintained, and
2 operated so that donations and bequests to the corporation
3 qualify as tax deductible under State income tax laws and
4 Sections 170(c)(2) and 501(c)(3) of the Internal Revenue Code.

5 (h) The articles of incorporation and bylaws of the
6 corporation shall provide for (1) governance and efficient
7 management of the corporation, (2) a board of directors
8 satisfying the requirements of Section 15, (3) a conflict of
9 interest policy satisfying the requirements of Section 30, and
10 (4) financial operations of the corporation, including the
11 authority to receive and expend funds from public and private
12 sources and to use its property, money, and other resources for
13 the purposes of the corporation.

14 Section 15. Board of directors and Chief Executive Officer
15 of the corporation.

16 (a) The affairs of the corporation shall be managed by or
17 under the direction of the board of directors of the
18 corporation.

19 (b) The board shall comprise 16 directors as follows:

20 (1) The Governor or his or designee shall be a director
21 ex officio and serve as chairperson of the board.

22 (2) The Governor shall appoint 11 directors, including
23 (i) one director with professional experience in finance,
24 insurance, or investment banking, (ii) one director with
25 professional experience in small business development,

1 (iii) one director with professional experience in the
2 tourism or hospitality industry, and (iv) eight directors
3 who are actively employed in the private, for-profit sector
4 or who otherwise have substantial experience in economic
5 development. Of those eight directors described in clause
6 (iv), there shall be at least one director from each
7 industry cluster as identified to the Governor by the
8 Director. Of the 11 directors appointed pursuant to this
9 paragraph, at least 6 directors shall be representatives of
10 minority-owned and women-owned businesses.

11 (3) The Speaker and Minority Leader of the House of
12 Representatives and the President and Minority Leader of
13 the Senate each shall appoint one director who is employed
14 in, or retired from employment in, a private business,
15 not-for-profit organization, or academic organization.

16 (c) To facilitate communication and cooperation between
17 the corporation and State agencies involved in economic
18 development, the director or head of each of the following
19 agencies shall serve as a non-voting, non-director member of
20 the board: Department of Commerce and Economic Opportunity,
21 Department of Agriculture, Department of Natural Resources,
22 Department of Financial and Professional Regulation, Illinois
23 Finance Authority, Department of Revenue, Department of Labor,
24 Department of Veterans' Affairs, Department of Central
25 Management Services, Illinois Environmental Protection Agency,
26 and Department of Employment Security.

1 (d) Except for the Governor or his or her designee, each
2 director shall serve a term of three years. The articles of
3 incorporation or bylaws shall divide the other 15 directors
4 into three equal classes, with the terms of one class of
5 directors expiring each year. In the event of a vacancy on the
6 Board, the Governor shall appoint a replacement member within
7 60 days. In the event of a position appointed by a legislative
8 leader, the leader making the original appointment shall fill
9 the vacancy within 60 days.

10 (e) The Governor shall select an initial Chief Executive
11 Officer of the corporation, subject to confirmation by a
12 majority of members of the board. After the initial Chief
13 Executive Officer, each subsequent Chief Executive Officer
14 shall be selected and confirmed by a majority vote of the
15 Board.

16 (f) The members of the board are prohibited from making any
17 contributions to any political committee established to
18 support the Governor or any candidate for Governor.

19 Section 20. Office of Economic Development and Tourism.
20 Within the Department, there shall be created a new division
21 called the Office of Economic Development and Tourism for the
22 purpose of collaborating with the corporation, issuing grants
23 and transferring funds to the corporation, subject to
24 appropriation, and being responsible for the following
25 functions of the Department: business development;

1 entrepreneurship, innovation, and technology; trade and
2 investment; and tourism and film. The director of that office
3 shall report directly to the Director.

4 Section 25. Accountability and transparency.

5 (a) Within the Office of the Director there is created a
6 new division called the Office of Accountability and
7 Transparency. Such division shall be responsible for
8 monitoring all grants made by the Department; for ensuring
9 compliance by the Department and its grantees, including the
10 corporation, with all applicable laws and grant terms and
11 conditions; and for ensuring transparency in the Department's
12 grant-making and other activities.

13 (b) With respect to any grant agreement entered into
14 between the corporation and the Department, the corporation
15 shall comply with the following provisions:

16 (1) For the purposes of the Freedom of Information Act,
17 the corporation shall be considered a contractor
18 performing a governmental function on behalf of the
19 Department in accordance with subsection (2) of Section 7
20 of such Act, whether the corporation receives a grant from
21 or enters into a contract with the Department.

22 (2) The corporation shall post copies of minutes of its
23 board meetings on its publicly-accessible website. Any
24 redactions shall be limited to information exempt from
25 disclosure pursuant to subsection (1) of Section 7 of the

1 Freedom of Information Act or other applicable law.

2 (3) The corporation shall post copies of all final
3 grant agreements and tax incentives on its
4 publicly-accessible website within 10 business days of the
5 later of the execution of the final agreement or incentive
6 or the public announcement of the final agreement or
7 incentive. Any redactions shall be limited to information
8 exempt from disclosure pursuant to subsection (1) of
9 Section 7 of the Freedom of Information Act or other
10 applicable law.

11 (4) The corporation shall develop procedures,
12 standards, and objectives for evaluating all sub-grant
13 applicants and sub-grants awarded to ensure that State
14 funds spent by the corporation and its sub-grantees
15 optimize return on investment for Illinois taxpayers. Such
16 procedures, standards, and objectives shall be disclosed
17 on the corporation's publicly-accessible website.

18 (5) The corporation shall assess and report its efforts
19 and results to the public and the Department's Office of
20 Accountability and Transparency. In addition, the
21 corporation shall comply with all grant monitoring
22 procedures issued by the Department for the monitoring of
23 grants of State and federal funds.

24 (6) The corporation shall conduct an annual audit
25 performed by a certified public accountant in accordance
26 with generally accepted accounting principles. Such audit

1 shall be filed with the Department's Office of
2 Accountability and Transparency and made available to the
3 public.

4 (7) The corporation shall be subject to bi-annual
5 audits by the Auditor General.

6 (8) The corporation shall submit an annual report by
7 March 31 of each year to the Governor, the General
8 Assembly, and the Department's Office of Accountability
9 and Transparency that describes the corporation's
10 operations and activities during the prior fiscal year,
11 including: (A) the corporation's complete, audited
12 financial statements, including a description of the
13 corporation's financial conditions and operations and a
14 detailed account of how private funds were utilized versus
15 public funds; (B) a listing of all public sources of funds
16 received by the corporation; (C) a listing of all private
17 sources of funds received by the corporation; (D) a listing
18 of all firms and individuals who provided assistance or
19 resources to the corporation without compensation,
20 including the approximate value of the assistance or
21 resources provided; (E) a description of how the operations
22 and activities of the corporation serve the interests of
23 the State and promote economic development; (F) an analysis
24 of the State's return on investment; and (G) a listing of
25 all conflicts of interest from directors, officers, and
26 employees identified in the board meeting minutes.

1 (9) The corporation shall comply with all applicable
2 State and federal laws, including all applicable terms of
3 the Grant Accountability and Transparency Act. For
4 purposes of the Illinois Grant Funds Recovery Act, all
5 sub-grants of grant funds made by the corporation shall be
6 treated as grant funds in accordance with Section 12 of
7 that Act.

8 Section 30. Conflicts of interest.

9 (a) In the conduct of their service to the corporation,
10 directors, officers, and employees of the corporation shall
11 behave ethically and in the best interests of the State and
12 avoid actual and potential conflicts of interest.

13 (b) The corporation shall adopt and maintain a
14 comprehensive conflicts of interest policy. Such policy shall
15 include, without limitation, the following:

16 (1) Any pecuniary interest held by or for a conflict
17 party in a grant from or contract with the corporation or a
18 tax incentive from the Department shall be disclosed in
19 writing and identified in the minutes of the board. Such
20 conflict must be disclosed before the approval of any
21 grant, contract, or incentive.

22 (2) A conflict party who holds a pecuniary interest in
23 a grant from or contract with the corporation or a tax
24 incentive from the Department, or for whom such an interest
25 is held, shall not participate in any corporate action,

1 including deliberations on such action, with respect to
2 such grant, contract, or incentive.

3 (3) A conflict party may not acquire a pecuniary
4 interest in a grant from or contract with the corporation
5 or a tax incentive from the Department during the time that
6 the conflict party (or the spouse or immediate family
7 member of the conflict party) serves as a director,
8 officer, or employee of the corporation and for one year
9 after termination of such service.

10 (4) The corporation shall not enter into any grant or
11 contract with any entity in which a conflict party is
12 entitled to receive more than 7.5%, or in which a conflict
13 party together with his or her spouse and immediate family
14 members residing in his or her residence are entitled to
15 receive more than 15%, of the total distributable income of
16 the entity. For purposes of this paragraph (4),
17 "distributable income" means the income of a company after
18 payment of all expenses, including employee salary and
19 bonus, and retained earnings, which is distributed to those
20 entitled to receive a share of the income. In the case of a
21 for-profit corporation, "distributable" income means
22 dividends. When calculating entitlement to distributable
23 income the entitlement shall be determined at the end of
24 the company's most recent fiscal year.

25 (5) The board of directors shall determine appropriate
26 penalties for any violations of these provisions.

1 Section 33. Prohibition on political contributions. Any
2 business entity whose cumulative pending applications for
3 grants or tax incentives or previously approved grants or tax
4 incentives in the aggregate value more than \$50,000, and any
5 affiliated entities or affiliated persons of such business
6 entity, are prohibited from making any contributions to any
7 political committees established to support the Governor or any
8 candidate for Governor.

9 Section 35. Fundraising. The corporation shall raise and
10 accept funds from private donors to support its economic
11 development efforts and other operations.

12 Section 40. Repeal. This Act is repealed 3 years after the
13 effective date of this Act.

14 (20 ILCS 605/605-300 rep.)

15 Section 90. The Department of Commerce and Economic
16 Opportunity Law of the Civil Administrative Code of Illinois is
17 amended by repealing Section 605-300.